

# VILLAGE OF ESTERO, FLORIDA

## VILLAGE COUNCIL MEETING MARCH 17, 2015

### REQUEST FOR VILLAGE COUNCIL CONSIDERATION

Agenda Item: 9. (F)	Prepared By: Bob Lienesch/ECCL
Agenda Section: Council Business	
Subject:	Resolution Regarding Line of Credit

#### BACKGROUND:

**As more fully described in the Blue Sheet on Banking Relationship, two banks were identified as the best qualified candidates to provide banking services and a line of credit.**

**Fifth Third and Sun Trust both proposed a one-year Revolving Credit Agreement (Revolver) with future tax revenue pledged as collateral, on either a taxable or non-taxable basis. The RFP requested a maximum borrowing of \$1.5 million, which was proposed by Sun Trust. Fifth Third limited their borrowing to \$1.0 million.**

**A Term Sheet Comparison (Comparison) was prepared by Bob Lienesch, Finance Director of the ECCL (a former CPA, and the retired treasurer and CFO of a NYSE company). The Comparison identifies differences between the two banks in the proposed Amounts, Interest Rates, and Costs. (The Comparison will be made available to the Council on March 17 should they wish to review it.)**

**Mr. Lienesch concluded from the Comparison that a Revolver issued by Sun Trust, whether or not drawn, would be significantly less expensive than the Revolver proposed by Fifth Third. In addition, the Sun Trust proposal enables the Village to achieve maximum borrowing of \$1.5 million, without additional cost.**

**Mr. Lienesch recommends that the Council:**

**1) Approve the immediate opening of banking accounts (with dual signature requirements) at Sun Trust;**

**2) Authorize the Interim Manager, Interim Finance Director, and Interim Attorney to enter into negotiations with Sun Trust to finalize the terms of a \$1.5 million Revolver, and solicit Village Council approval as soon as practicable.**

**NOTE: The proposals from Sun Trust, Fifth Third, and Finemark banks are included with Agenda Item 9. (E) as attachments.**

**FUNDING SOURCE / FISCAL IMPACT:**

Fees as quoted and approved by Council

**RECOMMENDATION:**

Approve Resolution obtaining the Line of Credit offered by \_\_\_\_\_.

**POTENTIAL MOTION:**

I make a motion to approve the Resolution approving the Line of Credit offered by \_\_\_\_\_; authorizing the Interim Village Attorney to draft the necessary documents and authorizing the Village Mayor to execute necessary documents.

VILLAGE OF ESTERO, FLORIDA

RESOLUTION NO. 15- \_\_\_\_\_

A RESOLUTION APPROVING THE LINE OF CREDIT AS  
OFFERED BY \_\_\_\_\_;  
AUTHORIZING THE INTERIM VILLAGE ATTORNEY TO  
DRAFT THE NECESSARY DOCUMENTS; AUTHORIZING  
VILLAGE MAYOR TO EXECUTE NECESSARY  
DOCUMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Village of Estero is a newly incorporated municipality; and

WHEREAS, the Village may require access to funds in order to begin the operations of  
the municipality prior to the receipt of funds from the State; and

WHEREAS, \_\_\_\_\_, has proposed to loan the Village funds in the  
amount of \_\_\_\_\_ in the form of a Line of Credit which may be used if  
needed in the operations of Village business;

NOW, THEREFORE, be it resolved by the Village Council of the Village of Estero,  
Florida:

SECTION ONE. The Village Council hereby approves the Line of Credit with the  
terms offered by \_\_\_\_\_ for the amount of  
\_\_\_\_\_.

SECTION TWO. The Village Council authorizes the Interim Village Attorney to  
draft further Ordinances or Resolutions as required by the lending institution to effectuate the  
Line of Credit.

SECTION THREE. The Village Council authorizes the Village Mayor to execute  
necessary documents.

SECTION FOUR. This Resolution shall take effect immediately upon adoption.

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47 **ADOPTED BY THE VILLAGE COUNCIL** of the Village of Estero, Florida this \_\_\_\_\_ day  
48 of March, 2015.

53 Attest:

**VILLAGE OF ESTERO, FLORIDA**

56 By: \_\_\_\_\_

By: \_\_\_\_\_

59 \_\_\_\_\_  
60 Interim City Clerk

\_\_\_\_\_  
Mayor

62 Reviewed for legal sufficiency:

64 By: \_\_\_\_\_

66 \_\_\_\_\_  
67 Interim City Attorney